

## **PROCEDURE 0110.02**

Issued January 1, 1994

**SUBJECT:** Allocation of Fire Protection Funds.

**APPLICATION:** Executive Branch Departments and State Universities.

**PURPOSE:** To allocate annual appropriations to municipalities providing fire protection to state facilities.

**CONTACT AGENCY:** Department of Management and Budget (DMB) - Office of Facilities, Administrative Division  
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**SUMMARY:** These allocations are made jointly by the Office of Facilities and the Department of Commerce's Contract and Grant Administration Division, in accordance with Public Act 289 of 1977.

Failure to comply would result in overpayment or underpayment for fire protection services to the municipalities.

**APPLICABLE FORMS:** DMB-432.

### **PROCEDURES:**

Facilities - In January of each year:

- Sends to all departments and universities letters and inventory lists of state-owned real property associated with buildings primarily used for office purposes, state prisons, or hospitals, institution so of higher education, and state-owned real and inventory personal property associated with a state proprietary function. Certain state-owned property is exempt from this act such as: maintenance garages, parks, bridges, etc. For additional information on exemptions contact the above-mentioned office.

State Agencies:

- Returns updated inventories by March 30.

Facilities:

- Reviews the inventory listings and makes corrections as needed.
- Forwards updated inventories to local municipalities and the State Tax Commission for their review and comment.

Municipalities:

- Return comments to the Office of Facilities by May 31.

Facilities:

Procedure 0110.02

Distribution Date: 1-6-97

- Reviews comments and discusses with appropriate departments, agencies, and municipalities.
- Makes changes on inventory list(s), if required.
- Sends updated state-owned real and personal property inventories to Department of Commerce by July 1.

Commerce:

- Sends letters to municipalities in July requesting the amount of money spent on fire protection in the previous fiscal year.
- Obtains from Department of Treasury in August the Tax Commission report entitled "Assessed Valuation, State Equalized Valuation, Assessment Level, and S>E>V> Multiplier for Separately Equalized Classifications". This report provides the basis for determining the S.E.V. for eligible communities.

Municipalities:

- Return required information by September 1.

Commerce:

- Determines the amount due to each municipality in accordance with Section 4 of Public Act 289 of 1977:
  - The payment will be determined by dividing the estimated equalized value of the state facilities in the municipality by the sum of the estimated equalized value of the state facilities and the state equalized value of the municipality and multiplying the result by the fire protection expenditures.
  - If the amount appropriated in any fiscal year is not sufficient to make all calculated payments, the amount paid to each municipality shall be prorated.
  - No payment will be made where the estimated equalized value of state facilities in the municipality is less than 1 percent of the sum of the state equalized valuation of the municipality, and the estimated equalized value of the state facilities.
  - No payment will be made where the state facility provides its own fire protection.
  - No payment will be made to a municipality in which a state facility is located where the municipality does not provide fire protection directly or through contract to the state facility.
  - No payment will be made where the amount of the payment would be less than \$500.
- Processes payment vouchers by November 1 to ensure that warrants are issued to the municipalities by December 1.

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